

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, October 11, 2006, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Karen Dunavant, George Harding, William Long, John McClarty, Darlene McNeece, Lee Anne Murray and Marian Ott.

On motion by Long, seconded by Dunavnat, the board voted to approve the September 13, 2006 board minutes. The motion passed the board unanimously.

Show Cause Hearing

06-32 Mary Pruitt, for possible violation of the campaign finance disclosure law. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Rep. Pruitt has had no previous matters before the board.

The sworn complaint was passed out to the board at the July 12, 2006 meeting. The board voted at its July 12, 2006 meeting to consider the matter at the August 9, 2006 meeting.

Director Rawlins provided the board with a sworn complaint filed against Rep. Mary Pruitt that was filed with the Registry by William James Boyd. The sworn complaint is based on a WTVF-TV5 investigation and includes documentation from other sources. The sworn complaint alleges that Rep. Pruitt converted campaign funds to personal use by paying herself rent from her campaign account for a building she owns that she states is her campaign office although the building didn't appear to be in use.

Director Rawlins informed the board that because the reports in question that refer to Rep. Pruitt's 2004 campaign account had been on file for more than 180 days it is deemed sufficient absent a showing of fraud. Director Rawlins further informed the board that the allegations in the complaint that refer to Rep. Pruitt's 2005 campaign account are within the 180 day timeframe.

After discussion, the board voted at its August 9, 2006 meeting to issue Rep. Pruitt a show cause notice regarding items in the sworn complaint from her 2005 campaign financial disclosure report only.

Director Rawlins provided the board with an additional statement provided by Mr. Boyd at the September 13, 2006 meeting requesting that the board subpoena videotapes, documents, transcripts from News Channel 5 and all utility records for Rep. Pruitt's campaign office.

At the September 13, 2006 meeting Director Rawlins explained to the board that Lee Anne Murray, chairperson, after discussion with Director Rawlins, made the decision to not place consideration of the sworn complaint filed by William James Boyd against Rep. Mary Pruitt on the September meeting agenda. After discussion, the board made the decision to place the matter on the October meeting agenda.

Director Rawlins informed the board that neither Mary Pruitt nor her attorney, George Barrett, responded with any information regarding the show cause notice.

After discussion, a motion was made by Harding, seconded by Dunavant, to proceed with the case. The motion to proceed passed the board 6 to 1, with Long voting “no.” A motion was then made by Harding, seconded by Ott, to assess Rep. Pruitt a \$10,000 civil penalty. The motion to assess Rep. Pruitt a \$10,000 civil penalty passed the board 6 to 1, with Long voting “no.”

06-39 Tommy Burnett, for failure to timely file 2006 mid-year lobbying activities report. Class one (1), six days late, maximum one hundred fifty dollar (\$150) civil penalty. Mr. Burnett has had no previous matters before the board.

The board voted at its September 13, 2006 meeting to issue Mr. Burnett a show cause notice.

Director Rawlins explained to the board that Mr. Burnett had accidentally been entered into the Registry’s database system twice and that he had actually timely filed the required report. Director Rawlins requested that the board rescind the show cause notice against Mr. Burnett.

On motion by Harding, seconded by Long, the board voted unanimously to rescind the show cause notice.

Reconsideration

06-23 Kathryn Bowers, for failure to report a campaign contribution. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Sen. Bowers has had previous matters before the board.

The board voted at its September 13, 2006 meeting to assess Sen. Bowers a \$10,000 civil penalty assessment. Sen. Bowers requested a reconsideration of the assessment.

Sen. Bowers provided a statement for the board’s consideration. In this statement, Sen. Bowers explained that her failure to report the campaign contribution was not deliberate but an oversight on her part. Sen. Bowers further explained that she will amend her report to make the necessary correction.

A motion was made by Long, seconded by Harding, to reconsider the \$10,000 civil penalty assessment and assess Sen. Bowers a \$2,500 civil penalty. The motion to reconsider and assess Sen. Bowers a \$2,500 civil penalty passed the board 6 to 1, with Dunavant voting “no.”

06-27 Gary Rowe, for failure to report a campaign contribution. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Rep. Rowe has had a previous matter before the board.

The board voted at its September 13, 2006 meeting to assess Rep. Rowe a \$1,000 civil penalty assessment. Rep. Rowe requested a reconsideration of the assessment.

Othello Robinson, accountant for Rep. Rowe, provided a statement and explained that he attempted to amend Rep. Rowe’s report but that he was unable to complete the amendment because of computer internet connection problems.

Rep. Rowe appeared before the board and explained that his failure to report the campaign contribution was not intentional but an oversight by his accountant. Rep.

Rowe further explained that the report has been amended and that the contribution has now been reported.

On motion by Long, seconded by Dunavant, the board voted unanimously to reconsider the \$1,000 civil penalty assessment. On motion by Long, seconded by Dunavant, the board voted unanimously to assess Rep. Rowe a \$50 civil penalty.

Sworn Statement Submitted

06-33 George Banks, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), six days late, maximum one hundred fifty dollar (\$150) civil penalty. Mr. Banks has had no previous matters before the board.

The board voted at its September 13, 2006 meeting to issue Mr. Banks a show cause notice.

Mr. Banks submitted a sworn statement for the board's consideration. In this statement, Mr. Banks explained that because he had no activity to report he thought that it was not important that he file.

On motion by McClarty, seconded by Ott, the board voted unanimously to assess Mr. Banks a \$50 civil penalty.

06-34 Harris Jones, for failure to timely file 2006 mid-year supplemental campaign financial disclosure report. Class one (1), 13 days late, maximum three hundred twenty-five dollar (\$325) civil penalty. Mr. Jones has had a previous matter before the board.

The board voted at its September 13, 2006 meeting to issue Mr. Jones a show cause notice.

Mr. Jones submitted a statement for the board's consideration. In this statement, Mr. Jones explained that he was unaware that his campaign account was still open. Mr. Jones further explained that he did not update his address with the Registry after recent moves and therefore the notices to file were not received. Mr. Jones noted that he has now filed the required report and has closed his campaign account.

On motion by Long, seconded by McNeece, the board voted unanimously to dismiss and take no further action in this matter.

Cases Subject to Approval for Civil Penalty

06-35 Michael Saine, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 14 days late, maximum three hundred fifty dollar (\$350) civil penalty. Mr. Saine has had no previous matters before the board.

The board voted at its September 13, 2006 meeting to issue Mr. Saine a show cause notice.

Director Rawlins informed the board that Mr. Saine had not received the show cause notice that was sent by certified mail.

The Registry made the decision to send the show cause notice by regular mail and to defer any action in this matter until the next regularly scheduled meeting.

06-36 Joe Towns, Jr., for failure to timely file 2006 2nd quarter campaign financial disclosure report. Class one (1), 25 days late, maximum six hundred twenty-five dollar (\$625) civil penalty. Rep. Towns has had previous matters before the board.

The board voted at its September 13, 2006 meeting to issue Rep. Towns a show cause notice.

Rep. Towns provided a statement for the board's consideration. In this statement, Rep. Towns explained that that he believed he had filed his report using the Registry's electronic filing system. Rep. Towns further explained that he did not know that the report was not submitted properly to the Registry.

On motion by McNeece, seconded by Ott, the board voted 5 to 2 to assess Rep. Towns a \$625 civil penalty, with Long and McClarty voting "no."

06-37 Comcast Corp. PAC, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), nine days late, maximum two hundred twenty-five dollar (\$225) civil penalty. The organization has had a previous matter before the board. (See above)

The board voted at its September 13, 2006 meeting to issue the organization a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice.

On motion by Harding, seconded by Long, the board voted unanimously to assess the organization a \$225 civil penalty.

06-38 Take Back Tennessee, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 16 days late, maximum four hundred dollar (\$400) civil penalty. The organization has had previous matters before the board.

The board voted at its September 13, 2006 meeting to issue the organization a show cause notice.

Reuben Watkins, treasurer for the organization, provided a sworn statement for the board's consideration. In this statement, Mr. Watkins explained that the notice to file was received by the previous treasurer and was not made known to him until after the filing deadline. Mr. Watkins further explained that the organization has now closed its PAC account.

On motion by Harding, seconded by Long, the board voted unanimously to take no further action in this matter.

Cases Considered for Issuance of Show Cause Notice

06-31 Tennessee Professional Firefighters, for failure to correctly report campaign expenditures. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its September 13, 2006 meeting to take no further action in this matter.

Director Rawlins requested that the Tennessee Professional Firefighters PAC be placed on the agenda for the October meeting because there seemed to be further discrepancies with some of their contributions to candidates.

Director Rawlins informed the board that all discrepancies have been corrected and that all contributions have been matched with the candidates.

On motion by McNeece, seconded by Harding, the board voted unanimously to take no further action in this matter.

Gary Benefield, for failure to file 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Benefield has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Kevin Carter, for failure to file 2006 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Carter has had a previous matter before the board. (See below)

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Kevin Carter, for failure to file 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Carter has had a previous matter before the board. (See above)

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Charles "Pete" Drew, for failure to file 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Drew has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Larry Drolsum, for failure to file 2006 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Drolsum has had a previous matter before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

John Farmer, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), three days late, maximum seventy-five dollar (\$75) civil penalty. Mr. Farmer has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to take no action in this matter.

David Garrett, Jr., for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), nine days late, maximum two hundred twenty-five dollar (\$225) civil penalty. Mr. Garrett has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Samuel Harris, for failure to file 2006 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Harris has had a previous matter before the board. (See below)

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Samuel Harris, for failure to file 2006 pre-general campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Harris has had a previous matter before the board. (See above)

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Scott McCluen, for failure to timely file 2006 pre-general campaign financial disclosure report. Class two (2), 32 days late, maximum ten thousand dollar (\$10,000) civil penalty. Mr. McCluen has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Jeff Sullivan, for failure to timely file a 2006 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. Mr. Sullivan has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Freddi Birdwell, for failure to timely file a 2006 mid-year lobbying activities report. Class one (1), 24 days late, maximum six hundred dollar (\$600) civil penalty. Ms. Birdwell has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Stephen Ratterman, Sr., for failure to timely file a 2006 mid-year lobbying activities report. Class one (1), 59 days late, maximum seven hundred fifty dollar (\$750) civil penalty. Mr. Ratterman has had no previous matters before the board.

Mr. Ratterman provided a statement for the board's consideration. In this statement, Mr. Ratterman explained that his late filing was due to the fact that his previous employer, who he was lobbying for, did not forward his mail until very recently and that after leaving his previous employer he completely forgot that there were additional reports which would need to be filed. Mr. Ratterman further explained that when he finally received his notice to file he contacted the Registry and filed the report.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Roger Schecter, for failure to file a 2006 mid-year lobbying activities report. Class one (1), no report filed, maximum seven hundred fifty dollar (\$750) civil penalty. Mr. Schecter has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

CWA District 3 Political Education Committee, for failure to file 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Democracy for Rutherford County, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), nine days late, maximum two hundred twenty-five dollar (\$225) civil penalty. The organization has had no previous matters before the board.

Anthony Pegel, treasurer for the organization, personally appeared before the board and explained that due to internal issues with the organization he never received the notices to file and was under the impression that reports were necessary only if activity had occurred during the period. Mr. Pegel apologized for his failure to timely file and stated that they have now closed their PAC.

On motion by Long, seconded by Dunavant, the board voted unanimously to take no action in this matter.

Hamilton County Democratic Party, for failure to file 2006 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand dollar (\$10,000) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Insurors of Tennessee PAC, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class two (2), 41 days late, maximum ten thousand dollar (\$10,000) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Madison County Democratic Executive Committee, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 19 days late, maximum four hundred seventy-five dollar (\$475) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Norfolk Southern Good Government Committee, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 17 days late, maximum four hundred twenty-five dollar (\$425) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Perry County Republican Party, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 25 days late, maximum six hundred twenty-five dollar (\$625) civil penalty. The organization has had previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

State of Franklin PAC, for failure to timely file 2006 pre-primary campaign financial disclosure report. Class one (1), 20 days late, maximum five hundred dollar (\$500) civil penalty. The organization has had no previous matters before the board.

On motion by Long, seconded by Dunavant, the board voted unanimously to issue a show cause notice.

Cross Indexing Report

Director Rawlins provided the board with a cross indexing report which contains contributions reported as being given by PACs but not reported by candidates for the 2nd Quarter and Pre-Primary reporting periods.

On motion by Ott, seconded by McNeece, the board voted unanimously to issue show cause notices to the following candidates for failure to report campaign contributions from PACs:

- Barbara Cooper
- Craig Fitzhugh
- Bill Ketron
- Frank Niceley
- Charles Pitman
- Gary Rowe
- Janis Baird Sontany
- John Tidwell

Reported Financial Expenses

Director Rawlins provided the board members with a list of civil penalties that have been paid year to date.

Director Rawlins presented the expenditure reports for the 2006/2007 fiscal year through August 31, 2006.

Executive Director's Report

The board recommended at its September 13, 2006 meeting that Director Rawlins draft a letter that explains the regulatory scheme of a vehicle purchased with campaign

funds. The board further recommended that this letter include the issues that will apply when a vehicle is bought for campaign use with campaign funds.

Director Rawlins drafted the opinion on the purchase of a vehicle with campaign funds and provided it to the board.

On motion by Long, seconded by Murray, the board voted unanimously to adopt the opinion.

Director Rawlins informed the board that a few changes had to be made to the Registry's Audit Committee Charter.

On motion by Ott, seconded by Long, the board voted unanimously to approve the amended Audit Committee Charter.

Director Rawlins requested the board to approve a raise for Janet Williams. By acclamation the board approved the raise suggested by Director Rawlins.

Other Business

The board discussed who would attend the COGEL conference scheduled for December 3 through 6 in New Orleans, Louisiana.

Ott, seconded by Dunavant made a motion, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.